

State of South Dakota

EIGHTY-FOURTH SESSION
LEGISLATIVE ASSEMBLY, 2009

400Q0079

SENATE BILL NO. 16

Introduced by: The Committee on Transportation at the request of the Department of
Revenue and Regulation

1 FOR AN ACT ENTITLED, An Act to revise certain provisions regarding the taxation of
2 biodiesel and biodiesel blends.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That chapter 10-47B be amended by adding thereto a NEW SECTION to read as
5 follows:

6 Any person who is engaged in the production of biodiesel shall be licensed as a biodiesel
7 producer.

8 Section 2. That chapter 10-47B be amended by adding thereto a NEW SECTION to read as
9 follows:

10 The tax imposed on unblended biodiesel pursuant to § 10-47B-9 and not exempted by § 10-
11 47B-19 shall be remitted by the biodiesel producer, supplier, importer, or blender.

12 Section 3. That chapter 10-47B be amended by adding thereto a NEW SECTION to read as
13 follows:

14 A biodiesel producer may apply for and obtain a refund of fuel taxes paid to this state for
15 methanol used to produce biodiesel.



Section 4. That § 10-47B-113 be amended to read as follows:

10-47B-113. The blender report required pursuant to § 10-47B-111 shall contain the following information, if deemed necessary by the secretary:

- (1) The number of gallons of gasoline blended with ethyl alcohol to produce ethanol blend or E85;
- (2) The number of gallons of ethyl alcohol blended with gasoline to produce ethanol blend or E85;
- (3) The number of gallons of unblended denatured ethyl alcohol sold, including the tax exempt sales made to licensed blenders, licensed suppliers for removal from a terminal in this state at the rack as a ten percent ethanol blend, and to a licensed exporter for export to a state for which the exporter is specifically licensed to export;
- (4) The number of gallons of gasoline blended with methyl alcohol to produce M85;
- (5) The number of gallons of methyl alcohol blended with gasoline to produce M85;
- (6) The number of gallons of any other substances blended with motor fuel or special fuel; and
- (7) A schedule of the names and addresses of all sales of blends in quantities of twenty-five gallons or more, except for sales of ten percent ethanol blends;
- (8) The number of gallons of biodiesel, the number of gallons of biodiesel blend, and the number of gallons of special fuel used to make a biodiesel blend; and
- (9) The number of gallons of unblended biodiesel sold, including the tax exempt sales made to licensed blenders, to licensed suppliers for resale, and to licensed exports for export to a state for which the exporter is specifically licensed to export.

Section 5. That chapter 10-47B be amended by adding thereto a NEW SECTION to read as follows:

1 A tax report credit for special fuel blended with biodiesel to create biodiesel blend shall be
2 allowed to the licensed blender who performs the blending activity. The tax report credit shall
3 be granted on a per gallon basis in the amount that the rate for special fuel exceeds the rate for
4 biodiesel blend. The credit shall be used to off-set any tax liability resulting from the blending
5 of previously untaxed biodiesel.

6 This credit is extended only for special fuel which is blended with biodiesel and for no other
7 fuel product. The further blending of additional fuel products with a motor fuel, special fuel, or
8 biodiesel blend as defined under this chapter shall cause this credit to be cancelled and the
9 blended product shall be taxed at the rate of tax for motor fuel and special fuel provided for in
10 § 10-47B-4.